

City Clerk File No. Ord. 16.083

Agenda No. 3-A 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 16.083

TITLE:

AN ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS FOR THE CITY OF JERSEY CITY AND APPROPRIATING \$29,858,755, THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$28,436,905 IN GENERAL IMPROVEMENT BONDS OR NOTES OF THE CITY OF JERSEY CITY TO FINANCE THE SAME.

BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

Section 1. The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the City of Jersey City, in the County of Hudson, New Jersey (the "City") as general improvements. For the several improvements or purposes described in Section 3 hereof, there are hereby appropriated the respective sums of money therein stated as the appropriations made for each improvement of purpose, such sums amounting in the aggregate to \$29,858,755, including the aggregate sum of \$1,421,850 as the several down payments for the improvements or purposes required by the Local Bond Law. The down payments have been made available by virtue of the provision for down payment in the capital improvement fund in one or more previously adopted budgets.

Section 2. In order to finance the cost of the several improvements or purposes not covered by application of the several down payments or otherwise provided for hereunder, negotiable bonds are hereby authorized to be issued in the principal amount of \$28,436,905 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. The several improvements hereby authorized and the several purposes for which the bonds are to be issued, the estimated cost of each improvement and the appropriation therefor, the estimated maximum amount of bonds or notes to be issued for each improvement and the period of usefulness of each improvement are as follows:

- (a) (1) Purpose: The reconstruction, renovation, rehabilitation and improvement of various City public parks and fields, including but not limited to miscellaneous repairs and improvements consisting of the construction of service facilities, reconstruction of playground and active child play facilities, safety surfacing, lighting, sidewalks, fencing, landscaping and tree planting, benches, sports court resurfacing and renovation and improvement of buildings and facilities and the acquisition and installation of various park amenities and equipment, and including all work, materials and appurtenances necessary and suitable therefore are hereby authorized.

<u>Appropriation and Estimated Cost:</u>	\$2,385,000
<u>Estimated Maximum Amount of Bonds or Notes:</u>	\$2,271,428
<u>Period or Average Period of Usefulness:</u>	15 years
<u>Amount of Down Payment:</u>	\$113,572

- (2) Purpose: The reconstruction, rehabilitation, improvement and repair of various public buildings owned and used by the City, buildings of not less than Class "B" construction as defined in Section 40A:2-22 of the Local Bond Law; including various Firehouses and Police Precincts located in the City; and, where necessary, security and flood protection improvements, various building stabilization improvements, exterior facades, pointing, and step improvements, and including all work, materials, appurtenances, furnishings and equipment necessary and suitable therefore are hereby authorized.

<u>Appropriation and Estimated Cost:</u>	\$9,656,100
<u>Estimated Maximum Amount of Bonds or Notes:</u>	\$9,196,285
<u>Period or Average Period of Usefulness:</u>	15 years
<u>Amount of Down Payment:</u>	\$459,815

- (3) Purpose: The reconstruction, resurfacing, widening, extension and construction of various public streets in and for the City, with a pavement at least as durable as a Class "A" road as defined in Section 40A:2-22 of the Local Bond Law, various City-wide improvements including, but not limited to, curbing, sidewalks, installation of handicapped ramps, landscaping, repair of pots holes, general infrastructure improvements, related studies, and including all work, labor, materials and appurtenances necessary and suitable for such purposes are hereby authorized.

<u>Appropriation and Estimated Cost:</u>	\$9,030,655
<u>Estimated Maximum Amount of Bonds or Notes:</u>	\$8,600,623
<u>Period or Average Period of Usefulness:</u>	15.60169 years
<u>Amount of Down Payment</u>	\$ 430,032

- (4) Purpose: The acquisition and installation of traffic signals, and related equipment and machinery for the City's Division of Traffic Engineering and Transportation, including traffic operative equipment, imprinted crosswalks, traffic striping, markings, signage and speed humps, and including all work, labor, materials and appurtenances necessary and suitable for such purposes are hereby authorized.

<u>Appropriation and Estimated Cost:</u>	\$2,075,000
<u>Estimated Maximum Amount of Bonds or Notes:</u>	\$1,976,190
<u>Period or Average Period of Usefulness:</u>	10 years
<u>Amount of Down Payment</u>	\$ 98,810

- (5) Purpose: The acquisition of new automotive vehicles and equipment for use by various City Departments, including, but not limited to, dump trucks, pelican sweepers, mini sweeper and, interceptor vehicle, and including all work, labor, materials and appurtenances necessary and suitable for such purposes are hereby authorized.

<u>Appropriation and Estimated Cost:</u>	\$1,262,000
<u>Estimated Maximum Amount of Bonds or Notes:</u>	\$1,201,904
<u>Period or Average Period of Usefulness:</u>	9.13628 years
<u>Amount of Down Payment:</u>	\$ 60,096

- (6) Purpose: Replacement of self contained breathing apparatus for the City Fire Department, and including all work, labor, materials and appurtenances necessary and suitable for such purposes are hereby authorized.

<u>Appropriation and Estimated Cost:</u>	\$900,000
<u>Estimated Maximum Amount of Bonds or Notes:</u>	\$857,142
<u>Period or Average Period of Usefulness:</u>	10 years
<u>Amount of Down Payment:</u>	\$ 42,858

- (7) Purpose: The acquisition and installation of various software, computer equipment, document digitization and print management equipment, timekeeping system, closed circuit television and related voice and data equipment for various municipal buildings, departments and divisions, and including all work, labor, materials and appurtenances necessary and suitable for such purposes are hereby authorized.

<u>Appropriation and Estimated Cost:</u>	\$4,550,000
<u>Estimated Maximum Amount of Bonds or Notes:</u>	\$4,333,333
<u>Period or Average Period of Usefulness:</u>	7 years
<u>Amount of Down Payment</u>	\$ 216,667

(b) The estimated maximum amount of bonds or notes to be issued for the improvement or purpose is as stated in Section 2 hereof.

(c) The estimated cost of the several improvements or purposes is equal to the amount of the appropriation herein made therefor.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all matters in connection with notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 40A:2-8.1. The chief financial officer is hereby authorized to sell part or all of the notes from time to time, at not less than par and accrued interest, at public or private sale and to deliver them to the purchasers

thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The capital budget or temporary capital budget (as applicable) of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget or amended temporary capital budget (as applicable) and capital program as approved by the Director of the Division of Local Government Services is on file with the City Clerk and is available there for public inspection.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The several improvements or purposes described in Section 3 of this bond ordinance are not current expenses. They are improvements or purposes the City may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) The average period of usefulness of the several improvements or purposes, within the limitations of the Local Bond Law, computed on the basis of the respective amounts or obligations authorized for each improvement or purpose and the reasonable life thereof within the limitations of the Local Bond Law, is 13.36760 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$28,436,905, that the net debt of the City determined as provided in the Local Bond Law is increased by \$28,436,905, and the obligations authorized herein will be within all debt limitation prescribed by that Law.

(d) An aggregate amount not exceeding \$3,000,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purpose or improvement.

(e) The City reasonably expects to commence acquisition and/or construction of the project described in Section 3 hereof, and to advance all or a portion of the costs in respect thereof, prior to the issuance of bonds or notes hereunder. To the extent such costs are advanced, the City further reasonably expects to reimburse such expenditures from the proceeds of the bonds or notes authorized by this bond ordinance, in an aggregate not to exceed the amount of bonds or notes authorized in Section 2 hereof.

Section 7. Any grant moneys received for the purposes described in Section 3 hereof shall be applied either to direct payment of the cost of the improvements or to payment of the obligations issued pursuant to this bond ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 8. The full faith and credit of the City is hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable real property within the City for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 9. After passage upon first reading of this bond ordinance, the City Clerk is hereby directed to publish the full text of the bond ordinance, together with the notice set forth below entitled: "NOTICE OF PENDING BOND ORDINANCE" (with appropriate completions, insertions and corrections), at least once in a newspaper qualified under N.J.S.A. 40A:2-19, at least seven days prior to the date set for public hearing and further consideration for final passage (which date shall be at least ten days after introduction and first reading). The City Clerk is further directed to comply with all provisions of N.J.S.A. 40A:2-17(b) regarding postings, publications, and the provision of copies of this bond ordinance.

Section 10. After final adoption of this bond ordinance by the Municipal Council, the City Clerk is hereby directed to publish the full text of this bond ordinance, as finally adopted, together with the notice set forth below entitled: "NOTICE OF ADOPTION OF BOND ORDINANCE" (with appropriate completions, insertions and corrections), at least once in a newspaper qualified under N.J.S.A. 40A:2-19.

Section 11. To the extent that any previous ordinance or resolution is inconsistent herewith or contradictory hereto, said ordinance or resolution is hereby repealed or amended to the extent necessary to make it consistent herewith.

Section 12. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by Section 10 hereof and the Local Bond Law.

APPROVED AS TO LEGAL FORM

APPROVED: 

Corporation Counsel

APPROVED: _____

Business Administrator

Certification Required ☐

Not Required ☐

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

AN ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS FOR THE CITY OF JERSEY CITY AND APPROPRIATING \$29,858,755, THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$28,436,905 IN GENERAL IMPROVEMENT BONDS OR NOTES OF THE CITY OF JERSEY CITY TO FINANCE THE SAME

Initiator

Department/Division	Administration	Management & Budget
Name/Title	Donna Mauer	Chief Financial Officer
Phone/email	201-547-5042	DonnaM@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

This bond ordinance authorizes the appropriation of various capital general improvements and the issuance of bonds or notes in the amount of \$28,436,905 to fund these projects.

I certify that all the facts presented herein are accurate.



Signature of Department Director

5/2/16

Date

City Clerk File No. Ord. 16.084

Agenda No. 3.B 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 16.084

TITLE: AN ORDINANCE SUPPLEMENTING CHAPTER 332 (VEHICLES AND TRAFFIC) ARTICLE II (TRAFFIC REGULATIONS) SECTION 332-9 (STOP INTERSECTIONS) OF THE JERSEY CITY TRAFFIC CODE DESIGNATING THE INTERSECTIONS OF ERIE STREET AND SEVENTH STREET; McADOO AVENUE AND FOWLER AVENUE AND NEW YORK AVENUE AND FRANKLIN STREET AS A MULTI-WAY STOP INTERSECTION

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

1. Chapter 332 (Vehicles and Traffic) Article II (Traffic Regulations) Section 332-9 (Stop Intersections) of the Jersey City Traffic Code is hereby supplemented as follows:

Section: 332-9 Stop Intersections.

The Intersections listed below are hereby designated as stop intersections. Stop signs shall be installed as provided therein.

Street 1 (Stop Sign On)	Direction of Travel	Street 2 (At Intersection)
<u>Erie St</u> Seventh St	<u>North</u> East	<u>Seventh St – multi</u> Erie St – <u>multi</u>
<u>Franklin St</u> New York Av	<u>East and West</u> South	<u>New York Av - multi</u> Franklin St – <u>multi</u>
<u>Fowler Av</u> McAdoo Av	<u>North and South</u> East and West	<u>McAdoo Av – multi</u> Fowler Av – <u>multi</u>

2. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
3. This ordinance shall be a part of the Jersey City Code as though codified and incorporated in the official copies of the Jersey City Code.
4. This ordinance shall take effect at the time and in the manner as prescribed by law.
5. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All new material to be inserted is underscored.

JDS:pcl
(4.19.16)

APPROVED AS TO LEGAL FORM

Corporation Counsel

APPROVED: _____
Director of Traffic & Transportation

APPROVED: _____
Municipal Engineer

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance

AN ORDINANCE SUPPLEMENTING CHAPTER 332 (VEHICLES AND TRAFFIC) ARTICLE II (TRAFFIC REGULATIONS) SECTION 332-9 (STOP INTERSECTIONS) OF THE JERSEY CITY TRAFFIC CODE DESIGNATING THE INTERSECTIONS OF ERIE STREET AND SEVENTH STREET; McADOO AVENUE AND FOWLER AVENUE AND NEW YORK AVENUE AND FRANKLIN STREET AS A MULTI-WAY STOP INTERSECTION

Initiator

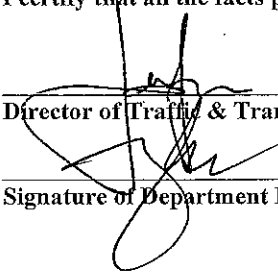
Department/Division	Administration	Engineering, Traffic and Transportation
Name/Title	Joao D'Souza	Director of Traffic & Transportation
Phone/email	201.547.4470	JOAO@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

To improve safety for all road users and operational characteristics at the following intersections:
Erie St and Seventh St
Franklin St and New York Av
Fowler Av and McAdoo Av

I certify that all the facts presented herein are accurate.



Director of Traffic & Transportation

Signature of Department Director

4/19/16

Date

5/3/16

Date



Google Maps

Google Maps



Google Maps

Google Maps



Google Maps

City Clerk File No. Ord. 16.085

Agenda No. 3.C 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 16.085

TITLE: AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11302, LOT 30, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 212 THIRD STREET

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the City of Jersey City as an area in need of rehabilitation, is authorized to adopt an ordinance to utilize tax exemptions pursuant to N.J.S.A. 40A:21-1, et seq., the Five (5) Year Exemption and Abatement Law; and

WHEREAS, pursuant to N.J.S.A. 40A:21-1 et seq., the City of Jersey City adopted Ordinance 05-060, Section 304-6 et seq. of the Municipal Code, to allow Five (5) Year Tax Exemptions which allows the Tax Assessor to regard the full and true value or a portion thereof of certain improvements as not increasing the full and true value of certain property for a period of five (5) years, provided the owner's application is approved by the Tax Assessor and by Ordinance of the Municipal Council; and

WHEREAS, pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code, a tax exemption for the construction of a new four (4) story building to contain approximately twelve (12) market rate residential units on the Property, is permitted for a period of five (5) years; and

WHEREAS, 212 Third Street, LLC [Entity], is the Ground Lessee of Property designated as Block 11302, Lot 30, on the City's Tax Map and more commonly known by the street address of 212 Third Street, Jersey City, NJ; and

WHEREAS, the Entity has been constructing a new four (4) story building to contain approximately twelve (12) market rate residential units on the Property; and

WHEREAS, construction began in 2013 and is almost substantially complete, but a Certificate of Occupancy has not yet been issued; and

WHEREAS, on March 31, 2016, the Entity filed an application for a five (5) year tax exemption for the Project, a copy of which application is attached hereto; and

WHEREAS, 212 Third Street, LLC, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of \$16,640) a tax payment for the new improvements on the property, as follows:

- (a) 2016: the tax year in which the structure will be completed. \$0 taxes due on improvements;

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ. AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11302, LOT 30, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 212 THIRD STREET

- (b) 2017: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$8,116;
- (c) 2018: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$16,233;
- (d) 2019: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$24,349; and
- (e) 2020: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$32,466;

WHEREAS, the Tax Assessor has determined that the new construction will generate an additional tax payment of \$16,460 for land and \$40,582 for improvements, for a total of \$57,043 a year; and

WHEREAS, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

WHEREAS, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the commercial Project is eligible for tax exemption pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code; and

WHEREAS, upon the expiration of the tax exemption, the total assessment, including both land and improvements, will generate a total tax payment of \$57,043; and

WHEREAS, 212 Third Street, LLC, has agreed to pay the sum of \$18,000 to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

1. The application, attached hereto, for a five (5) year tax exemption for the full and true value of a new four (4) story building to contain approximately twelve (12) market rate residential units, located in Block 11302, Lot 30, and more commonly known by the street address of 212 Third Street, Jersey City, N.J., is hereby approved.

2. The Mayor or Business Administrator is hereby authorized to execute a tax exemption agreement which shall contain at a minimum, the following terms and conditions:

- (a) tax payment on the new improvements shall be:
 - (i) Year 1: the tax year in which the structure will be completed. \$0 taxes;
 - (ii) Year 2: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$8,116;

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11302, LOT 30, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 212 THIRD STREET

- (iii) Year 3: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$16,233;
- (iv) Year 4: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$24,349; and
- (v) Year 5: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$32,466.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(b) The project shall be subject to all federal, state and local laws, and regulations on pollution control, worker safety, discrimination in employment, zoning, planning, and building code requirements pursuant to N.J.S.A. 40A:21-11(b).

(c) If, during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad the tax collector shall, within 15 days thereof, notify the owner of the property of the amount of taxes due.

(d) With respect to the disposal of the property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption shall continue, and the agreement shall remain in effect.

(e) At the termination of a tax exemption agreement, the new improvements shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a project, at the termination of an agreement, from qualifying for, an receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: \$1,500 x 12 market rate residential units, for a total of \$18,000.

- 3. Since construction is almost complete, a Project Employment and Contracting Agreement is not necessary.
- 4. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project achieves Substantial Completion within thirty-six (36) months of the date of adoption of the within Ordinance.
- 5. The form of tax exemption agreement is attached hereto as Exhibit B, subject to such modification as the Corporation counsel or Business Administrator deems necessary.
- 6. The Tax Assessor shall send a copy of the fully executed Financial Agreement will be sent to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of execution pursuant to N.J.S.A. 40a:21-11(d).

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ. AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11302, LOT 30, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 212 THIRD STREET

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect at the time and in the manner provided by law.
- D. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

JJH/he
5/02/16

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

Full Title of Ordinance

An Ordinance Approving A Five (5) Year Tax Exemption for a Market Rate Rental Project Developed by 212 Third Street, LLC Under the Short-Term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 11302 Lot 30 on the City's Tax Map and known as 212 Third Street.

Initiator

Department/Division	Office of the Mayor	Office of the Deputy Mayor
Name/Title	Marcos D. Vigil	Deputy Mayor
Phone/email	201-547-6542	mvigil@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

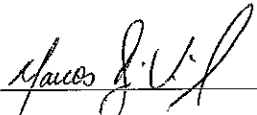
Ordinance Purpose

The applicant, 212 Third Street, LLC, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. The application fee of \$2,400 was paid.

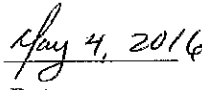
The property is known as 212 Third Street consisting of Block 11302 Lot 30 is on Third Street between Erie Street and Manila Avenue. The applicant has a sixty (60) year ground lease agreement with the Church of the Resurrection.

The project is a four (4) story residential rental building with twelve (12) two bedroom units. There are twelve (12) parking spaces on the site but the ground lease specifically limits the spaces exclusively for Church use. Construction began prior to the change in the ordinance requiring that an application must be filed prior to the start of construction.

I certify that all the facts presented herein are accurate.



Marcos D. Vigil
Deputy Mayor



Date

DATE: April 1, 2016

TO: John Hallanan (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: FIVE YEAR TAX ABATEMENT: 212 Third Street, LLC
Block 11302 Lot 30

CC: M. Cosgrove, E. Borja, J. Monahan, E. Toloza, M. Vigil, R. Kakoleski, R. Lavarro, G. Corrado

INTRODUCTION:

The applicant, 212 Third Street, LLC, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. It is new construction of a four (4) story market rate residential project. The application fee of \$2,400 was paid.

LOCATION OF THE PROPERTY:

The property is known as 212 Third Street consisting of Block 11302 Lot 30 is on Third Street between Erie Street and Manila Avenue. The applicant has a sixty (60) year ground lease agreement with the Church of the Resurrection.

PROPERTY CONSTRUCTED:

The project is a four (4) story residential rental building with twelve (12) two bedroom units. There are twelve (12) parking spaces on the site but the ground lease specifically limits the spaces exclusively for Church use.

ESTIMATED TOTAL CONSTRUCTION COST:

The construction cost is estimated at \$3,130,000 and certified by Nelson Benavides, the applicant's architect.

CONSTRUCTION SCHEDULE:

The project began in 2013 and is almost complete. A Certificate of Occupancy has not yet been issued. The original application was filed on March 31, 2016. Construction began prior to the change in the ordinance requiring that an application must be filed prior to the start of construction.

ESTIMATED JOBS CREATED

The applicant estimates approximately sixty (60) jobs were created during the 212 Third Street LLC Five-yr SUM (3)

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construction period. Since the Project is complete and will be self managed a Project Employment and Contracting Agreement is not necessary.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTIONS:

The applicant will make an AHTF contribution based upon the rate of \$1,500 per residential unit for (12) units for a total of \$18,000. Since it is anticipated the Certificate of Occupancy will be issued shortly, the full amount will be due at signing of the Financial Agreement.

CURRENT REAL ESTATE TAX:

The current assessment for the land is \$220,000. The current land tax at the rate of \$74.82 is \$ 16,640. All taxes are paid for properties owned by the applicant and affiliates through the First Quarter 2016.

PROPOSED ABATEMENT:

The applicant has requested a term of five (5) years for the abatement on the improvements. The Applicant will pay the full tax for the land in each and every year of the abatement and has proposed a phase-in of the assessment on improvements. In year one (1) the applicant proposes no taxes on improvements. In year two (2) the applicant would pay taxes on twenty percent (20%) of the improvements. The applicant would pay forty percent (40%) in year three (3), sixty percent (60%) in year four (4), Eighty percent (80%) in year five (5) and full taxes in year six (6).

PROPOSED REVENUE TO THE CITY:

The total taxes payable projected for the five-year term of the abatement are \$211,192. The total taxes exempted for the term are \$125,043. The Tax Assessor estimated the final assessment based upon information provided by the Applicant. The schedule below reflects an estimated annual tax increase of two percent (2%).

The phase-in of taxes on improvements is shown in the table below:

Block 11302 Lot 30**Tax Projections on Improvements Only**

312 Third Street						Five Year
Year	1	2	3	4	5	Totals
Current Tax Rate	74.82	76.32	77.84	79.40	80.99	
Full Tax on Improvements	40,582.37	41,394.02	42,221.90	43,066.33	43,927.66	211,192.27
Phase in %	0%	20%	40%	60%	80%	
Phase in Tax on improvements	0.00	8,278.80	16,888.76	25,839.80	35,142.13	86,149.49
Exempted Tax	40,582.37	33,115.21	25,333.14	17,226.53	8,785.53	125,042.78

Assumes 2% Annual Tax Rate Increase

Per Tax Assessor

Assessments

Land \$220,000

Improvements \$542,400

Total \$762,400

212 Third Street LLC Five-yr SUM (3)

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**212 THIRD STREET, LLC
BLOCK 11302 Lot 30
212 Third St.**

Block	Lot		Existing Assessments (Exempt)	New Assessment	Land sssessment and & Bldg Tax Phased-In)	Bldg Tax
11302	30	Land	45,000	220000	0	
		Bldg	400000	542400	542400	
		Total	445000	762400	542400	

**Est. In-Lieu of Full Property Tax Payments An Amount
Equal To A Percentage Of Taxes Otherwise Due,
According To The Following Billing Schedule:
(Subject To Prevailing Rate and Assessment Ratio at Completion)**

Year

1	In the first full tax year after completion, no payment in lieu of taxes otherwise due;	\$16,460	\$0	\$16,460
2	In the second tax year, an amount not less than 20% of taxes otherwise due, estimated to be the sum of;	\$16,460	\$8,116	\$24,577
3	In the third tax year, an amount not less 40% of taxes otherwise due, estimated to be the sum of;	\$16,460	\$16,233	\$32,693
4	In the fourth tax year, an amount no less than 60% of taxes otherwise due, estimated to be the sum of;	\$16,460	\$24,349	\$40,810
5	In the fifth tax year, an amount not less than 80% of taxes otherwise due, estimated to be the sum of;	\$16,460	\$32,466	\$48,926

**AT THE EXPIRATION OF THE EXEMPTION, THE PROJECT'S
NEW IMPROVEMENT WILL GENERATE APPROXIMATELY THE SUM OF;**

\$40,582

Land Tax

\$16,460

Total Land & Improvement @ 100% Valuation

\$57,043

Note: 2015 Tax Rate \$74.82/ Thousand of A.V.

9/15/2015

FISCAL IMPACT COST PROJECTION (TIER 1 - 5 YEAR)

Block: 11302 Lot: 30 Loc: 212 THIRD ST.

Market Rate Units	Number of Units	Demographic Multipliers (Transit Oriented Development)*		Total		Annual Expenditures		Total Annual Expenditures		
		Household	Students	Residents	Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
2 Bedroom	12	2.012	0.120	24.14	1.44	\$1,181.83	\$3,445.00	\$28,534.08	\$4,960.80	\$33,494.88
TOTAL	12			24.14	1.44			\$28,534.08	\$4,960.80	\$33,494.88

1. Total Municipal Ratables		\$5,997,768,597	4. CY 2015 Budget		\$535,307,187	6. Population of Jersey City (2010 Census)		247,597	9. Increase in Services Incurred Per Development		\$ 33,494.88
2. Residential Ratables		\$3,278,586,056				7. Per Capita Municipal Cost			10. Anticipated Taxes (74.82 w/ 2% Annual Increase)		
Commercial Ratables		\$1,512,274,524						\$1,181.83	1st Year \$		16,460.40
3. Residential Ratables as a Percentage of Total Ratables		54.66%				8. Annual Expenditures Per Student**		\$3,445.00	2nd Year \$		25,068.41
			5. Residential Portion		\$292,617,271				3rd Year \$		34,014.16
									4th Year \$		43,307.71
									5th Year \$		52,959.39
									11. Implied Surplus (Cost)		
									1st Year \$		(17,034.48)
									2nd Year \$		(8,426.46)
									3rd Year \$		519.28
									4th Year \$		9,812.83
									5th Year \$		19,464.52

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

TIER ONE (5 YEAR)
5/02/16
NJSA 40A:21-1 et seq
(Multiple Dwelling, Industrial, Commercial)

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____ day of _____, 2016, by and between the **CITY OF JERSEY CITY** [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey 07302, and, **212 THIRD STREET, LLC** [Applicant /Owner], whose principal place of business is 303 Mercer Street, Apt. 205, New York, NY 10003, attn: David Popkin.

WITNESSETH:

WHEREAS, the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 05-060, as amended by Ordinances 07-146 and 14-027; and

WHEREAS, the Applicant is owner of certain property located at 212 Third Street, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 11302, Lot 30, on the Tax Assessor's Map, more commonly known by the street address of 212 Third Street, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about March 31, 2016, the Applicant applied for a five year tax exemption to construct a new four (4) story building to contain approximately twelve (12) market rate residential units on the Property [Improvements] pursuant to N.J.S.A. 40A:21-1 et seq and Section 304-12 of the Municipal Code [Law]; and

WHEREAS, the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance _____ on _____.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The City hereby agrees to a tax exemption for the construction of a new four (4) story building to contain approximately twelve (12) market rate residential units [Improvements] on the Property, as further described in the Application, attached hereto

as Exhibit B, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make estimated payments on the new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the full calendar of Year 1, no payment in lieu of taxes;
2. For the full calendar of Year 2, twenty (20%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$8,116;
3. For the full calendar of Year 3, forty (40%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$16,233;
4. For the full calendar of Year 4, sixty (60%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$24,349; and
5. For the full calendar of Year 5, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$32,466.

In the event a City-wide revaluation results in decrease in the amount of taxes otherwise due, payment hereunder shall be the higher of either the taxes estimated above or the amount of actual taxes after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **\$2,400** to the City as an application fee. Failure to make such payment shall cause the tax exemption to terminate.

ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The construction of the Improvements is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE V: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full years beginning the first day of the month after the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the Project

is eligible to receive, a Certificate of Occupancy, whether temporary or final, for part or the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the Improvements.

ARTICLE VI: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due, for purposes of calculating a tax payment hereunder during the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: NO COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall not be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VIII: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE IX: AFFORDABLE HOUSING TRUST FUND CONTRIBUTION REQUIRED

A. **Contribution.** The Entity will pay the City the sum of \$18,000 or \$1,500 per unit as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;

- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Tax Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Tax Agreement.

ARTICLE X: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from the 1st year of this agreement to the date of termination.

ARTICLE XI: PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Since the Project is almost complete, a Project Employment and Contracting Agreement is not necessary.

ARTICLE XII: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to City:

Business Administrator
City Hall, 280 Grove Street
Jersey City, New Jersey 07302

Notice to Applicant:

212 Third Street, LLC
303 Mercer Street, Apt. 205
New York, NY 10003
Attn: David Popkin

ARTICLE XIV: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by a Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

212 THIRD STREET, LLC

BY: _____
David Popkin, Member

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

BY: _____
Robert J. Kakoleski
Business Administrator

City Clerk File No. Ord. 16.086

Agenda No. 3.D 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 16.086

TITLE: AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 9401, LOT 24, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 134 COTTAGE STREET

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the City of Jersey City as an area in need of rehabilitation, is authorized to adopt an ordinance to utilize tax exemptions pursuant to N.J.S.A. 40A:21-1, et seq., the Five (5) Year Exemption and Abatement Law; and

WHEREAS, pursuant to N.J.S.A. 40A:21-1 et seq., the City of Jersey City adopted Ordinance 05-060, Section 304-6 et seq. of the Municipal Code, to allow Five (5) Year Tax Exemptions which allows the Tax Assessor to regard the full and true value or a portion thereof of certain improvements as not increasing the full and true value of certain property for a period of five (5) years, provided the owner's application is approved by the Tax Assessor and by Ordinance of the Municipal Council; and

WHEREAS, pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code, a tax exemption for the construction of a new three (3) story building containing approximately eight (8) market rate residential units on the Property, is permitted for a period of five (5) years; and

WHEREAS, Bhanu, LLC [Entity], is the Owner of Property designated as Block 9401, Lot 24, on the City's Tax Map and more commonly known by the street address of 134 Cottage Street, Jersey City, NJ; and

WHEREAS, the Entity has constructed a new three (3) story building containing approximately eight (8) market rate residential units on the Property; and

WHEREAS, the Entity certifies that construction will be substantially complete in approximately fifteen (15) months after execution of the tax agreement; and

WHEREAS, on March 17, 2016, the Entity filed an application for a five (5) year tax exemption for the Project, a copy of which application is attached hereto; and

WHEREAS, Bhanu, LLC, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of \$10,340) a tax payment for the new improvements on the property, as follows:

- (a) 2016: the tax year in which the structure will be completed. \$0 taxes due on improvements;

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 9401, LOT 24, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 134 COTTAGE STREET

- (b) 2017: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$3,614;
- (c) 2018: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$7,228;
- (d) 2019: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$10,841; and
- (e) 2020: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$14,455;

WHEREAS, the Tax Assessor has determined that the new construction will generate an additional tax payment of \$10,340 for land and \$18,069 for improvements, for a total of \$28,409 a year; and

WHEREAS, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

WHEREAS, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the commercial Project is eligible for tax exemption pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code; and

WHEREAS, upon the expiration of the tax exemption, the total assessment, including both land and improvements, will generate a total tax payment of \$28,409; and

WHEREAS, Bhanu, LLC, has agreed to pay the sum of \$12,000 to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

1. The application, attached hereto, for a five (5) year tax exemption for the full and true value of a new three (3) story building to contain approximately eight (8) market rate residential units, located in Block 9401, Lot 24, and more commonly known by the street address of 134 Cottage Street, Jersey City, N.J., is hereby approved.
2. The Mayor or Business Administrator is hereby authorized to execute a tax exemption agreement which shall contain at a minimum, the following terms and conditions:

- (a) tax payment on the new improvements shall be:
 - (i) Year 1: the tax year in which the structure will be completed. \$0 taxes;
 - (ii) Year 2: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$3,614;

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 9401, LOT 24, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 134 COTTAGE STREET

- (iii) Year 3: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$7,228;
- (iv) Year 4: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$10,841; and
- (v) Year 5: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$14,455.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(b) The project shall be subject to all federal, state and local laws, and regulations on pollution control, worker safety, discrimination in employment, zoning, planning, and building code requirements pursuant to N.J.S.A. 40A:21-11(b).

(c) If, during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad the tax collector shall, within 15 days thereof, notify the owner of the property of the amount of taxes due.

(d) With respect to the disposal of the property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption shall continue, and the agreement shall remain in effect.

(e) At the termination of a tax exemption agreement, the new improvements shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a project, at the termination of an agreement, from qualifying for, an receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: \$1,500 x 8 market rate residential units, for a total of \$12,000.

3. An obligation to execute a Project Employment and Contracting Agreement and Project Labor Agreement to insure employment and other economic benefits to City residents and businesses.
4. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project achieves Substantial Completion within thirty-six (36) months of the date of adoption of the within Ordinance.
5. The form of tax exemption agreement is attached hereto as Exhibit B, subject to such modification as the Corporation counsel or Business Administrator deems necessary.

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 9401, LOT 24, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 134 COTTAGE STREET

6. The Tax Assessor shall send a copy of the fully executed Financial Agreement will be sent to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of execution pursuant to N.J.S.A. 40a:21-11(d).

A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

B. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

C. This ordinance shall take effect at the time and in the manner provided by law.

D. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

JJH/he
5/04/16

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

Full Title of Ordinance

An Ordinance Approving A Five (5) Year Tax Exemption for a Market Rate Rental Project Constructed by BHANU, LLC Under the Short-Term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 9401 Lot 24 on the City's Tax Map and known as 134 Cottage Street.

Initiator

Department/Division	Office of the Mayor	Office of the Deputy Mayor
Name/Title	Marcos D. Vigil	Deputy Mayor
Phone/email	201-547-6542	mvigil@jcnj.org

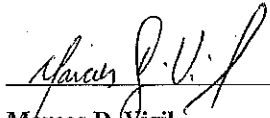
Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

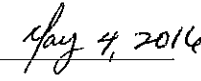
The applicant, BHANU, LLC is applying for a five (5) Year tax abatement for a three (3) story market rate residential rental project with eight (8) residential units pursuant to N.J.S.A. 40 A: 21-1 et seq. The fee of \$1,600 was paid with the application.

The property located at 134 Cottage Street, is between Herbert Place and the Conrail tracks. It consists of Block 9401, Lot 24 on the Jersey City Tax Map. It is located in Zone 4 Neighborhood Mixed-use District of the Journal Square 2060 Redevelopment Plan.

I certify that all the facts presented herein are accurate.



Marcos D. Vigil
Deputy Mayor



Date

DATE: March 31, 2016

TO: John Hallanan (For distribution to City Council and City Clerk)

FROM: Al Cameron Tax Collector's Office

SUBJECT: FIVE-YEAR TAX ABATEMENT: BHANU, LLC; 134 Cottage Street
Block 9401 Lot 24

CC: M. Cosgrove, E. Borja, J. Monahan, E. Toloza, M. Vigil, R. Kakoleski,
R. Lavarro, G. Corrado, P. Leandre

INTRODUCTION:

The applicant, BHANU, LLC is applying for a five (5) Year tax abatement for a three (3) story market rate residential rental project with eight (8) residential units pursuant to N.J.S.A. 40 A: 21-1 et seq. The fee of \$1,600 was paid with the application.

LOCATION OF THE PROPERTY:

The property located at 134 Cottage Street, is between Herbert Place and the Conrail tracks. It consists of Block 9401, Lot 24 on the Jersey City Tax Map. It is located in Zone 4 Neighborhood Mixed-use District of the Journal Square 2060 Redevelopment Plan.

PROPERTY TO BE CONSTRUCTED:

The proposed project is a three (3) story market rate residential rental building. The building will consist of a basement with two (2) units and two (2) units on each of the three (3) additional floors. Parking will not be provided.

The eight (8) residential units are as follows:

<u>Unit Type</u>	<u>Number of Units</u>
One Bedroom	3
Two Bedroom	5
Total:	8

TOTAL CONSTRUCTION COST:

The cost of construction is certified by the applicant's architect, Jeffrey Lewis, at \$990,000.

Bhanu LLC 134 Cottage Sum (2)
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CONSTRUCTION SCHEDULE:

Ordinance 14.027 amends Chapter 304 (Taxation) Article III (Five-Year Tax Exemption). Amended Article III 304-13 A. (1) states; "every application for a tax exemption subject to a tax agreement under section 304-12 B, must be filed and approved before proceeding with the project, that is prior to construction commencing". The applicant certifies that construction has not begun nor will not begin construction until the execution of a financial agreement. The application plans to commence construction upon signing the financial agreement and complete in approximately fifteen (15) months.

ESTIMATED JOBS CREATED:

The applicant estimates Fifteen (15) construction jobs were created during construction. The applicant will self manage the building and assumes no real estate jobs will be created. The applicant will execute a Project Employment and Contracting Agreement.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTION:

The Affordable Housing Trust Fund Payment for eight (8) units is \$12,000.

CURRENT REAL ESTATE TAXES:

Based upon the current land assessment of \$25,000 at the current rate of \$74.82 the tax for the land is \$1,871.

PROPOSED ABATEMENT:

The applicant has requested a term of five (5) years for the abatement on the improvements. The Applicant will pay the full tax for the land tax in each and every year of the abatement and has proposed a phase-in of the assessment on improvements. In year one (1) the applicant proposes no taxes on improvements. In year two (2) the applicant would pay taxes on twenty percent (20%) of the improvements. The applicant would pay forty percent (40%) in year three (3), sixty percent (60%) in year four (4), Eighty percent (80%) in year five (5) and full taxes in year six (6).

PROPOSED REVENUE TO THE CITY:

The Tax Assessor set the new assessment based upon information provided by the Applicant. The new assessment for the land is \$138,200 and the improvements are \$241,500. The total phased-in tax on improvements projected to be paid for the five-year term of the abatement is \$38,357. The total tax

Bhanu LLC 134 Cottage Sum (2)

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exempted on the improvements for the term is \$55,274. The schedule below adds a two percent (2%) annual increase in the tax rate. The Assessor's Schedule does not include a projected increase in the Tax Rate.

Block 9401 Lot 24

Tax Projections on Improvements Only

134 Cottage Street						Five Year
Year	1	2	3	4	5	Totals
Current Tax Rate	74.82	76.32	77.84	79.40	80.99	
Full Tax on Improvements	18,069.03	18,430.41	18,799.02	19,175.00	19,558.50	94,031.96
Phase in %	0%	20%	40%	60%	80%	
Phase in Tax on improvements	0.00	3,686.08	7,519.61	11,505.00	15,646.80	38,357.49
Exempted Tax	18,069.03	14,744.33	11,279.41	7,670.00	3,911.70	55,674.47

Assumes 2% Annual Tax Rate Increase

Per Tax Assessor

Assessments

Land \$138,200

Improvements \$241,500

Total \$379,700

Bhanu LLC 134 Cottage Sum (2)

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NANCY JOSHI
BLOCK 9401 Lot 24
134 Cottage St.

9401-24

Block	Lot		Existing Assessments	New Assessment	Assessment (Phased-In)
9401	24	Land	25,000	138200	0
		Bldg	30000	241500	241500
		Total	55000	379700	241500

Est. In-Lieu of Full Property Tax Payments An Amount
Equal To A Percentage Of Taxes Otherwise Due On New
Improvement According To The Following Billing Schedule:

Year

1	In the first full tax year after completion, no payment in lieu of taxes otherwise due;	\$0
2	In the second tax year, an amount not less than 20% of taxes otherwise due, estimated to be the sum of;	\$3,614
3	In the third tax year, an amount not less 40% of taxes otherwise due, estimated to be the sum of ;	\$7,228
4	In the fourth tax year, an amount no less than 60% of taxes otherwise due, estimated to be the sum of;	\$10,841
5	In the fifth tax year, an amount not less than 80% of taxes otherwise due, estimated to be the sum of;	\$14,455

AT THE EXPIRATION OF THE EXEMPTION, THE PROJECT'S
NEW IMPROVEMENT WILL GENERATE APPROXIMATELY THE SUM OF;

\$18,069

Total Land & Improvement @ 100% Valuation

\$28,409

Note: 2015 Tax Rate \$74.82/ Thousand of A.V.
3/16/2016

FISCAL IMPACT COST PROJECTION (TIER 1 - 5 YEAR)

Block: 9401 Lot: 24 Loc: 134 COTTAGE ST.

Market Rate Units	Number of Units	Demographic Multipliers (Transit Oriented Development)*		Total		Annual Expenditures		Total Annual Expenditures		
		Household	Students	Residents	Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
1 Bedroom	3	1.421	0.050	4.26	0.15	\$1,181.83	\$3,445.00	\$5,038.14	\$516.75	\$5,554.89
2 Bedroom	5	2.012	0.120	10.06	0.60	\$1,181.83	\$3,445.00	\$11,889.20	\$2,067.00	\$13,956.20
TOTAL	8			14.32	0.75			\$16,927.33	\$2,583.75	\$19,511.08

1. Total Municipal Ratables	\$5,997,768,597	4. CY 2015 Budget	\$635,307,187	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	\$	19,511.08
2. Residential Ratables	\$3,278,586,056			7. Per Capita Municipal Cost		10. Anticipated Taxes (74.82 w/ 2% Annual Increase)		
Commercial Ratables	\$1,512,274,524				\$1,181.83	1st Year	\$	10,340.12
						2nd Year	\$	14,233.01
3. Residential Ratables as a Percentage of Total Ratables	54.66%	5. Residential Portion	\$292,617,271	8. Annual Expenditures Per Student**	\$3,445.00	3rd Year	\$	18,277.47
						4th Year	\$	22,478.02
						5th Year	\$	26,839.28
						11. Implied Surplus (Cost)		
							1st Year	\$ (9,170.96)
							2nd Year	\$ (5,278.08)
							3rd Year	\$ (1,233.61)
							4th Year	\$ 2,966.94
							5th Year	\$ 7,328.20

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers; Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

TIER ONE (5 YEAR)
5/04/16
NJSA 40A:21-1 et seq
(Multiple Dwelling, Industrial, Commercial)

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____ day of _____, 2016, by and between the **CITY OF JERSEY CITY** [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey 07302, and, **BHANU, LLC** [Applicant /Owner], whose principal place of business is 928 East Lincoln Avenue, Piscataway, NJ 08854.

WITNESSETH:

WHEREAS, the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 05-060, as amended by Ordinances 07-146 and 14-027; and

WHEREAS, the Applicant is owner of certain property located at 134 Cottage Street, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 9401, Lot 24, on the Tax Assessor's Map, more commonly known by the street address of 134 Cottage Street, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about March 17, 2016, the Applicant applied for a five year tax exemption to construct a new three (3) story building to contain approximately eight (8) market rate residential units on the Property [Improvements] pursuant to N.J.S.A. 40A:21-1 et seq and Section 304-12 of the Municipal Code [Law]; and

WHEREAS, the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance _____ on _____.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The City hereby agrees to a tax exemption for the construction of a new three (3) story building to contain approximately eight (8) market rate residential units [Improvements] on the Property, as further described in the Application, attached hereto as Exhibit B, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and

Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make estimated payments on the new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the full calendar of Year 1, no payment in lieu of taxes;
2. For the full calendar of Year 2, twenty (20%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$3,614;
3. For the full calendar of Year 3, forty (40%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$7,228;
4. For the full calendar of Year 4, sixty (60%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$10,841; and
5. For the full calendar of Year 5, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$14,455.

In the event a City-wide revaluation results in decrease in the amount of taxes otherwise due, payment hereunder shall be the higher of either the taxes estimated above or the amount of actual taxes after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **\$1,600** to the City as an application fee. Failure to make such payment shall cause the tax exemption to terminate.

ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The construction of the Improvements is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE V: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full years beginning the first day of the month after the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the Project is eligible to receive, a Certificate of Occupancy, whether temporary or final, for part or

the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the Improvements.

ARTICLE VI: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due, for purposes of calculating a tax payment hereunder during the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: NO COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall not be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VIII: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE IX: AFFORDABLE HOUSING TRUST FUND CONTRIBUTION REQUIRED

A. **Contribution.** The Entity will pay the City the sum of \$12,000 or \$1,500 per unit as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;

- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Tax Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Tax Agreement.

ARTICLE X: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from the 1st year of this agreement to the date of termination.

ARTICLE XI: PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

In order to provide City residents and businesses with employment and other economic opportunities, the Applicant agrees to comply with the terms and conditions of the Project Employment & Contracting Agreement which is attached hereto as Exhibit C.

ARTICLE XII: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to City:

Business Administrator
City Hall, 280 Grove Street
Jersey City, New Jersey 07302

Notice to Applicant:

Bhanu, LLC
928 East Lincoln Avenue
Piscataway, NJ 08854
Attn: Nancy Joshi

ARTICLE XIV: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by a Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

134 Cottage Street

BY: _____
Nancy Joshi, Member

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

BY: _____
Robert J. Kakoleski
Business Administrator

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the ___ day of ___, 2016, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **BHANU, LLC** [Recipient], having its principal office at 928 East Lincoln Avenue, Piscataway, NJ 08854.

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into an agreement with the City to implement, in whole or in part, this agreement.
2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
3. Construction Contract means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway or other improvement on a Project Site.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.
6. "Employment" includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.
8. "Local Business" means a bona fide business located in Jersey City.
9. "Minority" means a person who is defined as such under federal or state law.

10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
12. "Project or Project Site" means the specific work location or locations specified in the contract.
13. The "Project Employment & Contracting Coordinator" or "Coordinator" is the employee in the Department of Administration, who is in charge of overseeing compliance of Project Employment & Contracting Agreements. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Coordinator. The Coordinator may incorporate referrals from JCEPT or its One-Stop Career Center if the City's agreement with JCEPT so provides.
14. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration as stipulated by this agreement.
15. The "Receipt's Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
16. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive also referred to as a developer.
17. "The Registry" or "Jersey City Employment Registry" means a data base maintained by the City or its designee, of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
18. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
19. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
20. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose: Construction Jobs, Business Contracting, Permanent Jobs

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient shall send a letter designating its "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Exhibit A. This Officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Exhibit B.

IV. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____ approving the tax exemption and terminate 5 years from the date of Substantial Completion of the Project.

V. Required Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient shall be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. The goals are as follows:

1. **Employment (Construction and Permanent Jobs):** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing twenty (20%) percent of labor hours who are Minorities and who are women.
2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding ten (10%) percent of the dollar amount of its contracts to Minority or Women Owned Businesses.

VI. Construction Jobs Procedure:

1. **Construction Jobs:** Recipient shall comply with all of the following conditions:

A. Initial Contracting Report

- i) The Recipient shall submit the initial contracting report. A letter must be forwarded with requests for quotation or bid to the Office of Diversity and Inclusion for minority contractors or vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Exhibit C.
- ii) The Recipient shall contact those businesses to submit bids. An example of this letter can be found in Exhibit D.

B. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, the Recipient shall obtain from all Contractors/Subcontractors an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked, including a list of the number of minority residents and women that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Exhibit ____ is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept the Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Exhibit ____.

C. Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Exhibit ____.

D. Monthly Reports:

Manning Report (after construction commences)

- i) The Recipient will submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain all records supporting the reported work hours of its Contractors or Subcontractors.

Certified Payroll Report

- i) The Recipient will furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Exhibit _____.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

E. Annual Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will submit copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit and annually thereafter.

F. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

G. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

H. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Exhibit _____.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

VII. Permanent Jobs Procedures:

1. Permanent Jobs: Recipient shall comply with all of the following conditions:

- A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will meet with the Coordinator, including the director of JCETP to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:
 - i) whether subcontractors will be used in the hiring process.
 - ii) the specific types of jobs that need to be filled.
 - iii) the qualifications needed for these particular jobs.
 - iv) possible training programs offered by the permanent employer.
 - v) the Recipient's goals and how it plans to meet these goals.
 - vi) any other issues which need to be addressed.
- B. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix 3.

- C. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 1.A.(i)-(vi) and notify the City.
- D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.
- E. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix 4.
- F. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- G. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
- H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.
- J. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

- K. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- L. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- M. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

VIII. **Good Faith Defined. Business Contracts**

- A. Good Faith shall mean compliance with all of the following conditions:

- i) Solicitation of Businesses:

- a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;
- b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.
- c) Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- d) Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
- e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month.

It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

- g) Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
 - h) Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
 - i) Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
 - j) Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.
- B. The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by Project Employment and Contracting Monitor of a Recipient, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

IX. Good Faith Defined. Commercial Tenants at the Project Site

Good Faith shall mean compliance with all of the following conditions:

- A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.
- B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.

- C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. Notices of Violation:

1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have 7 days to correct the violation.
2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation.
3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

1. While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:
 - A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
 - B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting)): an amount equal to Three (3%)

percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

- B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- C. The use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

Bhanu, LLC
928 East Lincoln Avenue
Piscataway, NJ 08854
Attn: Nancy Joshi

and

2. When sent by the Recipient to the City, it shall be addressed to:

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Robert J. Kakoleski
Business Administrator

WITNESS:

BHANU, LLC

Secretary

Nancy Joshi, Member

City Clerk File No. Ord. 16.087
Agenda No. 3.E 1st Reading
Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 16.087

TITLE: AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 7903, LOT 52, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60 VAN REIPEN AVENUE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the City of Jersey City as an area in need of rehabilitation, is authorized to adopt an ordinance to utilize tax exemptions pursuant to N.J.S.A. 40A:21-1, et seq., the Five (5) Year Exemption and Abatement Law; and

WHEREAS, pursuant to N.J.S.A. 40A:21-1 et seq., the City of Jersey City adopted Ordinance 05-060, Section 304-6 et seq. of the Municipal Code, to allow Five (5) Year Tax Exemptions which allows the Tax Assessor to regard the full and true value or a portion thereof of certain improvements as not increasing the full and true value of certain property for a period of five (5) years, provided the owner's application is approved by the Tax Assessor and by Ordinance of the Municipal Council; and

WHEREAS, pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code, a tax exemption for the construction of a new three (3) story building containing approximately eight (8) market rate residential units on the Property, is permitted for a period of five (5) years; and

WHEREAS, Acher Cohen [Entity], is the Owner of Property designated as Block 7903, Lot 52, on the City's Tax Map and more commonly known by the street address of 60 Van Reipen Avenue, Jersey City, NJ; and

WHEREAS, the Entity has constructed a new three (3) story building containing approximately eight (8) market rate residential units on the Property; and

WHEREAS, construction began prior to the change in the ordinance and is substantially complete; a Certificate of Occupancy was issued on July 1, 2015; and

WHEREAS, on March 31, 2016, the Entity filed an application for a five (5) year tax exemption for the Project, a copy of which application is attached hereto; and

WHEREAS, Acher Cohen, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of \$2,617) a tax payment for the new improvements on the property, as follows:

- (a) 2016: the tax year in which the structure will be completed. \$0 taxes due on improvements;

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 7903, LOT 52, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60 VAN REIPEN AVENUE

- (b) 2017: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$5,357;
- (c) 2018: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$10,714;
- (d) 2019: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$16,071; and
- (e) 2020: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$21,428;

WHEREAS, the Tax Assessor has determined that the new construction will generate an additional tax payment of \$2,617 for land and \$26,786 for improvements, for a total of \$29,403 a year; and

WHEREAS, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

WHEREAS, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the commercial Project is eligible for tax exemption pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code; and

WHEREAS, upon the expiration of the tax exemption, the total assessment, including both land and improvements, will generate a total tax payment of \$29,403; and

WHEREAS, Acher Cohen, has agreed to pay the sum of \$12,000 to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

1. The application, attached hereto, for a five (5) year tax exemption for the full and true value of a new three (3) story building containing approximately eight (8) market rate residential units, located in Block 7903, Lot 52, and more commonly known by the street address of 60 Van Reipen Avenue, Jersey City, N.J., is hereby approved.

2. The Mayor or Business Administrator is hereby authorized to execute a tax exemption agreement which shall contain at a minimum, the following terms and conditions:

- (a) tax payment on the new improvements shall be:
 - (i) Year 1: the tax year in which the structure will be completed. \$0 taxes;
 - (ii) Year 2: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$5,357;

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 7903, LOT 52, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60 VAN REIPEN AVENUE

- (iii) Year 3: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$10,714;
- (iv) Year 4: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$16,071; and
- (v) Year 5: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$21,428.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(b) The project shall be subject to all federal, state and local laws, and regulations on pollution control, worker safety, discrimination in employment, zoning, planning, and building code requirements pursuant to N.J.S.A. 40A:21-11(b).

(c) If, during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad the tax collector shall, within 15 days thereof, notify the owner of the property of the amount of taxes due.

(d) With respect to the disposal of the property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption shall continue, and the agreement shall remain in effect.

(e) At the termination of a tax exemption agreement, the new improvements shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a project, at the termination of an agreement, from qualifying for, an receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: \$1,500 x 8 market rate residential units, for a total of \$12,000.

3. Since construction is complete, a Project Employment and Contracting Agreement is not necessary.
4. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project achieves Substantial Completion within thirty-six (36) months of the date of adoption of the within Ordinance.
5. The form of tax exemption agreement is attached hereto as Exhibit B, subject to such modification as the Corporation counsel or Business Administrator deems necessary.
6. The Tax Assessor shall send a copy of the fully executed Financial Agreement will be sent to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of execution pursuant to N.J.S.A. 40a:21-11(d).

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 7903, LOT 52, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60 VAN REIPEN AVENUE

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect at the time and in the manner provided by law.
- D. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

JJH/he
5/02/16

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

Full Title of Ordinance

An Ordinance Approving A Five (5) Year Tax Exemption for a Market Rate Rental Project Constructed by Archer Cohen Under the Short-Term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 17903 Lot 52 on the City's Tax Map and known as 60 Van Reipen Avenue.

Initiator

Department/Division	Office of the Mayor	Office of the Deputy Mayor
Name/Title	Marcos D. Vigil	Deputy Mayor
Phone/email	201-547-6542	mvigil@jcnj.org

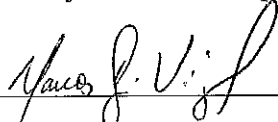
Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

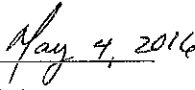
The applicant, Archer Cohen, is applying for a five (5) Year tax abatement for a eight (8) unit market rate residential rental project under N.J.S.A. 40 A: 21-1 et seq. The fee of \$1,600 was paid with the original application on July 15, 2015.

The property is located at 60 Van Reipen Avenue between Kennedy Boulevard and Summit Avenue. It is Block 7903 Lot 52 on the Jersey City Tax Map. The property is approximately 2,935 square feet.

I certify that all the facts presented herein are accurate.



Marcos D. Vigil
Deputy Mayor



Date

DATE: March 31, 2016
TO: John Hallanan (For distribution to City Council and City Clerk)
FROM: Al Cameron Tax Collector's Office
SUBJECT: FIVE-YEAR TAX ABATEMENT: 60 Van Reipen Avenue
Block 7903, Lot 52

CC: M. Cosgrove, E. Borja, J. Monahan, E. Toloza, M. Vigil, R. Kakoleski, R. Lavarro, G. Corrado

INTRODUCTION

The applicant, Archer Cohen, is applying for a five (5) Year tax abatement for a eight (8) unit market rate residential rental project under N.J.S.A. 40 A: 21-1 et seq. The fee of \$1,600 was paid with the original application on July 15, 2015.

LOCATION OF THE PROPERTY:

The property is located at 60 Van Reipen Avenue between Kennedy Boulevard and Summit Avenue. It is Block 7903 Lot 52 on the Jersey City Tax Map. The property is approximately 2,935 square feet.

PROPERTY TO BE CONSTRUCTED

The project is a three (3) story eight (8) unit market rate rental residential building consisting of four (4) Studios and four (4) one bedrooms.

TOTAL CONSTRUCTION COST:

The cost of construction is certified by the architect, Alan Feld at \$700,000.

CONSTRUCTION SCHEDULE:

The applicant received building permits and began construction prior the change in the ordinance requiring a five-year abatement application be submitted before the start of construction. The project is complete and a Certificate of Occupancy was issued on July 1, 2015.

ESTIMATED JOBS CREATED:

The applicant estimates Ten (10) jobs were created during Construction and one (1) property management job after construction.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTION:

The applicant proposes an AHTF Contribution. At the rate of \$1,500 per residential unit for eight (8) units the total is \$12,000. Since permits and a Certificate of Occupancy have been issued the full amount is due with the execution of the Financial (Tax) Agreement.

CURRENT REAL ESTATE TAXES:

The Current tax for the land alone at is \$2,617. The assessment provided by the Tax Assessor for the newly constructed building is \$358,000. Based upon that assessment at the current rate of \$74.82 the full tax on the improvements is \$26,786. The schedule below anticipates a two percent (2%) annual increase in the tax rate. All taxes are for property of the applicant and affiliates are paid through the first quarter 2016.

PROPOSED ABATEMENT:

The applicant has requested a term of five (5) years for the abatement on the improvements. The Applicant will pay the full tax for the land tax in each and every year of the abatement and has proposed a phase-in of the assessment on improvements. In year one (1) the applicant proposes no taxes on improvements. In year two (2) the applicant would pay taxes on twenty percent (20%) of the improvements. The applicant would pay forty percent (40%) in year three (3), sixty percent (60%) in year four (4), Eighty percent (80%) in year five (5) and full taxes in year six (6).

PROPOSED REVENUE TO THE CITY:

The phase-in of taxes on improvements is shown in the table below.

The total taxes projected for the five-year term of the abatement are \$139,393. Total exempted taxes for the term are \$82,532. The Tax Assessor estimated the final assessment based upon information provided by the Applicant. They reflect an estimated annual tax increase of two percent (2%) during the period.

Tax Projections on Improvements Only

60 Van Reipen Street						Five Year
Year	1	2	3	4	5	Totals
Current Tax Rate	74.82	76.32	77.84	79.40	80.99	
Full Tax on Improvements	26,785.56	27,321.27	27,867.70	28,425.05	28,993.55	139,393.13
Phase in %	0%	20%	40%	60%	80%	
Phase in Tax on improvements	0.00	5,464.25	11,147.08	17,055.03	23,194.84	56,861.20
Exempted Tax	26,785.56	21,857.02	16,720.62	11,370.02	5,798.71	82,531.93

Assumes 2% Annual Tax Rate Increase

Per Tax Assessor

Assessments

Land \$35,000

Improvements \$358,000

Total \$393,000

**ARCHER COHEN
BLOCK 17903 Lot 52
60 Van Reipen Ave.**

Block	Lot		Existing Assessments	New Assessment	Assessment (Phased-In)
7903	52	Land	35,000	35,000	-
		Bldg	-	358,000	358,000
		Total	35,000	393,000	358,000

**Est. In-Lieu of Full Property Tax Payments An Amount
Equal To A Percentage Of Taxes Otherwise Due On Improvement,
According To The Following Billing Schedule:
(Subject To Prevailing Rate and Assessment Ratio at Completion)**

Year

1	In the first full tax year after completion, no payment in lieu of taxes otherwise due;	\$0
2	In the second tax year, an amount equal to 20% of conventional taxes on improvement, estimated to be the sum of;	\$5,357
3	In the third tax year, an amount equal to 40% of conventional taxes on improvement, estimated to be the sum of;	\$10,714
4	In the fourth tax year, an amount equal to 60% of conventional taxes on improvement, estimated to be the sum of;	\$16,071
5	In the fifth tax year, an amount equal to 80% of conventional taxes on improvement, estimated to be the sum of;	\$21,428

AT THE EXPIRATION OF THE EXEMPTION ON IMPROVEMENT, THE PROJECT WILL GENERATE APPROXIMATELY THE SUM OF;	\$26,786
---	----------

Note: 2015 Tax Rate \$74.82/ Thousand of A.V.
Jan 20, '16
3/13/2016

FISCAL IMPACT COST PROJECTION (TIER 1 - 5 YEAR)

Block: 17903 Lot: 52 Loc: 60 VAN REIPEN AVE.

Market Rate Units	Demographic Multipliers (Transit Oriented Development)*					Annual Expenditures		Total Annual Expenditures		
	Number of Units	Household	Students	Residents	Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
Studio	4	1.000	0.000	4.00	0.00	\$1,181.83	\$3,445.00	\$4,727.32	\$0.00	\$4,727.32
1 Bedroom	4	1.421	0.050	5.68	0.20	\$1,181.83	\$3,445.00	\$6,717.52	\$689.00	\$7,406.52
TOTAL	8			9.68	0.20			\$11,444.83	\$689.00	\$12,133.83

1. Total Municipal Ratables	\$5,997,768,597	4. CY 2015 Budget	\$535,307,187	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	\$ 12,133.83
2. Residential Ratables	\$3,278,586,056			7. Per Capita Municipal Cost	\$1,181.83	10. Anticipated Taxes (74.82 w/ 2% Annual Increase)	
Commercial Ratables	\$1,512,274,524					1st Year \$	2,618.70
						2nd Year \$	8,135.33
						3rd Year \$	13,871.57
3. Residential Ratables as a Percentage of Total Ratables	54.66%	5. Residential Portion	\$292,617,271	8. Annual Expenditures Per Student**	\$3,445.00	4th Year \$	19,834.02
						5th Year \$	26,029.41
						11. Implied Surplus (Cost)	
						1st Year \$	(9,515.13)
						2nd Year \$	(3,998.50)
						3rd Year \$	1,737.74
						4th Year \$	7,700.19
						5th Year \$	13,895.58

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

TIER ONE (5 YEAR)
5/02/16
NJSA 40A:21-1 et seq
(Multiple Dwelling, Industrial, Commercial)

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____ day of _____, 2016, by and between the **CITY OF JERSEY CITY** [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey 07302, and, **Acher Cohen** [Applicant /Owner], whose principal place of business is 264 Tenaflly Road, Tenaflly, NJ 07670.

WITNESSETH:

WHEREAS, the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 05-060, as amended by Ordinances 07-146 and 14-027; and

WHEREAS, the Applicant is owner of certain property located at 60 Van Reipen Avenue, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 7903, Lot 52, on the Tax Assessor's Map, more commonly known by the street address of 60 Van Reipen Avenue, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about March 31, 2016, the Applicant applied for a five year tax exemption to construct a new three (3) story building to contain approximately eight (8) market rate residential units on the Property [Improvements] pursuant to N.J.S.A. 40A:21-1 et seq and Section 304-12 of the Municipal Code [Law]; and

WHEREAS, the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance _____ on _____.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The City hereby agrees to a tax exemption for the construction of a new three (3) story building to contain approximately eight (8) market rate residential units [Improvements] on the Property, as further described in the Application, attached hereto as Exhibit B, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and

Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make estimated payments on the new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the full calendar of Year 1, no payment in lieu of taxes;
2. For the full calendar of Year 2, twenty (20%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$5,357;
3. For the full calendar of Year 3, forty (40%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$10,714;
4. For the full calendar of Year 4, sixty (60%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$16,071; and
5. For the full calendar of Year 5, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$21,428.

In the event a City-wide revaluation results in decrease in the amount of taxes otherwise due, payment hereunder shall be the higher of either the taxes estimated above or the amount of actual taxes after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **\$1,600** to the City as an application fee. Failure to make such payment shall cause the tax exemption to terminate.

ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The construction of the Improvements is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE V: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full years beginning the first day of the month after the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the Project is eligible to receive, a Certificate of Occupancy, whether temporary or final, for part or

the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the Improvements.

ARTICLE VI: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due, for purposes of calculating a tax payment hereunder during the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: NO COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall not be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VIII: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE IX: AFFORDABLE HOUSING TRUST FUND CONTRIBUTION REQUIRED

A. **Contribution.** The Entity will pay the City the sum of \$12,000 or \$1,500 per unit as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;

- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Tax Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Tax Agreement.

ARTICLE X: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from the 1st year of this agreement to the date of termination.

ARTICLE XI: PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Since the Project is complete, a Project Employment and Contracting Agreement is not necessary.

ARTICLE XII: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to City:

Business Administrator
City Hall, 280 Grove Street
Jersey City, New Jersey 07302

Notice to Applicant:

Acher Cohen
264 Tenafly Road
Tenafly, NJ 07670

ARTICLE XIV: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by a Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

60 VAN REIPEN AVENUE

BY: _____
Archer Cohen, Member

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

BY: _____
Robert J. Kakoleski
Business Administrator

City Clerk File No. Ord. 16.088

Agenda No. 3.F 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 16.088

TITLE:

AN ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MIXED-USE MARKET RATE CONDOMINIUM PROJECT TO BE CONSTRUCTED BY 380 NEWARK REALTY URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., FOR THE PROPERTY DESIGNATED AS BLOCK 9806, LOT 8, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 380 NEWARK AVENUE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, 380 Newark Realty Urban Renewal, LLC, is an urban renewal entity, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. (Entity); and

WHEREAS, the Entity is the owner of certain property known as Block 9806, Lot 8, on the City's Official Tax map, consisting of approximately 0.34 acres, and more commonly known by the street address of 380 Newark Avenue, and more specifically described by metes and bounds, in the application (Property); and

WHEREAS, the project is eligible for a tax exemption since it is located within an Urban Enterprise Zone (UEZ) established pursuant to N.J.S.A. 52:27(H)-60 et. seq. and consistent with the provisions of N.J.S.A. 40A:20-4, N.J.S.A. 40A:12A-5(g) and Section 323-1 of the Jersey City Code; and

WHEREAS, by an application dated December 15, 2015 the Entity applied for a 10 year long term tax exemption to construct a mixed-use market rate condominium project to consist of a seven (7) story building containing a total of forty seven (47) condominium units: forty-five (45) residential condominium units, one condominium unit containing approximately 4,316 square feet of retail and amenity space, and a second condominium unit containing twenty (20) parking spaces; and

WHEREAS, the Project received Preliminary and Final Site plan approval from the Planning Board on October 29, 2015; and

WHEREAS, construction costs are estimated to be \$13,900,000; and

WHEREAS, 380 Newark Realty Urban Renewal, LLC, has agreed to:

1. pay the greater of (i) the Minimum Annual Service Charge or (ii) 11% of the Annual Gross Revenue, which shall be at least \$438,858; and which shall be subject to statutory staged increases over the term of the tax exemption; and
2. pay an annual sum equal to 2% of each prior year's Annual Service Charge as an Administrative Fee initially estimated at \$8,777; and
3. provide employment and other economic opportunities for City residents and businesses; and
4. pay to the City, for remittance to Hudson County, an additional amount equal to 5% of the Annual Service Charge estimated to be \$21,943; and
5. pay the sum of \$85,674.00 to the City's Affordable Housing Trust Fund;

AN ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MIXED-USE MARKET RATE CONDOMINIUM PROJECT TO BE CONSTRUCTED BY 380 NEWARK REALTY URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., FOR THE PROPERTY DESIGNATED AS BLOCK 9806, LOT 8, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 380 NEWARK AVENUE

6. execute a Project Employment & Contracting Agreement; and

WHEREAS, the City hereby determines that the relative benefits of the project outweigh the cost of the tax exemption, for the following reasons:

1. the current real estate taxes generate revenue of only \$24,532, whereas, the Annual Service Charge as estimated, will initially generate revenue of approximately \$438,858 to the City and an additional sum of approximately \$21,943 to Hudson County;
2. the Project will create approximately forty (40) jobs during construction and approximately eight (8) new permanent full-time jobs;
3. the Project will stabilize and contribute to the economic growth of businesses in the surrounding area;
4. the Project will further the overall redevelopment objectives of the UEZ zone;
5. the City's impact analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

WHEREAS, the City hereby determines that the tax exemption is important in obtaining development of the project and influencing the locational decisions of probable occupants for the following reasons:

1. the relative stability and predictability of the Annual Service Charges will make the Project more attractive to investors needed to finance the Project;
2. the relative stability and predictability of the Annual Service Charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract tenants to the Project and insure the likelihood of the success of the Project; and

WHEREAS, 380 Newark Realty Urban Renewal, LLC, has initially complied with Executive Order 2002-005 concerning "Disclosure of Lobbyist Representative Status" by filing an appropriate letter in the Office of the City Clerk.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

- A. The application of 380 Newark Realty Urban Renewal, LLC, an urban renewal company, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq. a copy of which is on file in the office of the City Clerk, Block 9806, Lots 8, more commonly known by the street address of 380 Newark Avenue, more specifically described by metes and bounds in the application, is hereby approved.
- B. The Mayor or Business Administrator is hereby authorized to execute a tax exemption Financial Agreement. The Financial Agreement shall include at a minimum the following terms and conditions:
 1. Term: the earlier of (twelve) 12 years from the adoption of the within Ordinance or ten (10) years from the date the project is Substantially Complete;
 2. Annual Service Charge: each year the greater of:
 - (a) the Minimum Annual Service Charge initially equal to \$24,532, but upon Project Completion, whether or not the Project is occupied equal to \$438,858; or
 - (b) 11% of the Annual Gross Revenue, which initial sum is estimated to be \$438,858, and which shall be subject to statutory increases during the term of the tax exemption.
 3. Administrative Fee: 2% of the prior year's Annual Service Charge estimated to be \$8,777;

AN ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MIXED-USE MARKET RATE CONDOMINIUM PROJECT TO BE CONSTRUCTED BY 380 NEWARK REALTY URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., FOR THE PROPERTY DESIGNATED AS BLOCK 9806, LOT 8, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 380 NEWARK AVENUE

4. County Payment: 5% of the Annual Service Charge to the City for remittance by the City to Hudson County estimated to be \$21,943;
 5. Project: A seven (7) story mixed-use condominium project to contain approximately forty seven (47) condominium units: forty-five (45) market-rate residential condominium units; one (1) commercial condominium unit containing approximately 4,316 square feet of retail and amenity space and a second condominium unit containing twenty (20) parking spaces totaling approximately 7,800 square feet of parking space; and;
 6. Affordable Housing Trust Fund: \$1,500 x 45 units or \$67,500; \$1.50 per square foot for commercial condominium unit x 4,316 or \$6,474; and \$1.50 per square foot of parking space x 7,800 or \$11,700; for a total of \$85,674 as a contribution. Such funds are non-refundable and non-transferrable in the event of a termination or expiration of the Financial Agreement;
 7. Execution of a Project Employment and Contracting Agreement;
 8. The initial installment of the Affordable Housing Trust Fund contribution payment shall be due on execution of the Financial Agreement, but in no event later than 90 days of the adoption of the ordinance. Interest shall accrue on such payments as of the 91st day at the same rate as the City charges for unpaid real estate taxes;
 9. The Financial Agreement shall be executed by the Entity no later than 90 days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided unless otherwise extended by the City.
 10. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project is: 1) commenced within one (1) year and 2) Substantially Complete within (2) years of the adoption date of the within Ordinance.
- C. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to: 1) the City Tax Assessor; 2) the Director of the New Jersey Division of Local Government Services; 3) the Hudson County Chief Financial Officer; and 4) the Hudson County Counsel, within ten (10) calendar days of adoption or execution, whichever occurs later.
- D. A copy of the Tax Abatement application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.
- E. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- F. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- G. This ordinance shall take effect at the time and in the manner provided by law.
- H. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face**
and repealed matter by *italic*.

JJH/he
5/05/16

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

DATE: January 22, 2016
TO: John Hallanan (For distribution to City Council and City Clerk)
FROM: Al Cameron, Fiscal Officer - Tax Collector's Office
SUBJECT: TEN YEAR TAX ABATEMENT: MIXED-USE MARKET RATE
CONDOMINIUM PROJECT - 380 Newark Realty Urban Renewal, LLC –
Block 9806 Lot 8

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, R. Kakoleski, G. Corrado

INTRODUCTION:

The applicant, 380 Newark Realty Urban Renewal, LLC, is applying for a ten (10) year tax abatement under N.J.S.A. 40 A: 20-1 et seq. It will be a seven (7) story market rate mixed-use condominium project. The proposed project is located within an Urban Enterprise Zone at Block 9806 – Lot 8 in a Tier II area on the Jersey City Tax Exemption Policy Map. The application fee of \$9,500 was paid.

LOCATION OF THE PROPERTY:

The property know as 380 Newark Avenue, consists of Block 9806 Lot 8. It is located on Newark Avenue bounded by Sixth and Division Streets.

PROPERTY TO BE CONSTRUCTED:

The proposed project will be a seven (7) story mixed-use building with forty-five (45) residential units, approximately 4,316 square feet of retail and amenity space. Twenty (20) parking spaces will be provided. The residential units are as follows:

<u>Unit Type</u>	<u>Number of Units</u>
One Bedroom	5
Two Bedroom	30
Three Bedroom	10

ESTIMATED TOTAL PROJECT COST:

The cost of construction estimated at \$13,900,000 is certified by Scott Mahaffey, the applicant's architect. Total Project Cost is projected at \$21,531,671.

CONSTRUCTION SCHEDULE:

The applicant expects to begin construction within twelve (12) months of approval of the abatement approval. Completion is expected within twelve (12) to

380 Newark Realty 10-Yr Sum (2)

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eighteen (18) months of commencement.

ESTIMATED JOBS CREATED:

The applicant estimates creation of forty (40) jobs during Construction and approximately eight (8) post-construction jobs are estimated. The applicant will execute a Project Employment and Contracting Agreement. However; based upon the estimated construction cost, a Project Labor Agreement is not required.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTION:

See table below:

380 Newark Realty, LLC

		Rate	Amount
Residential Units	45	\$1,500.00	\$67,500.00
Square footage Commercial	7,800	\$1.50	\$11,700.00
Square footage Parking Garage	4,316	\$1.50	\$6,474.00
		Total AHTF Payment	<u>\$85,674.00</u>

CURRENT REAL ESTATE TAX:

The existing assessment for the land is \$330,000. At the current tax rate of \$74.82 the estimated total annual tax is \$24,692.

The new assessment on the land is \$749,700 and for the improvements it is \$7,581,700.

PROPOSED ABATEMENT:

The property is in Tier II of the Jersey City Tiered Tax Exemption Policy Map. The applicant has requested a term of the lesser of fifteen (15) years from the date of approval of an ordinance approving the abatement or ten (10) years from substantial completion of the project. The applicant proposes an Annual Service Charge (ASC) of eleven percent (11%) of Annual Gross Revenue.

Abatement staged adjustment provides for an ASC of eleven percent (11%) of Annual Gross Revenue for years one (1) through six (6). An additional two percent (2%) City administrative fee and a five percent (5%) service charge to Hudson County will be charged annually.

380 Newark Realty 10-Yr Sum (2)

5/4/2016 1:33 PM

Beginning the first day of year seven (7) through the end of year seven (7) the PILOT would be the greater of eleven percent (11%) of Annual Gross Revenue or twenty percent (20%) of conventional taxes.

Beginning in year eight (8) through the end of year eight (8) it would be the greater of eleven percent (11%) of annual gross revenue, or forty percent (40%) of conventional taxes.

Beginning in year nine (9) through the end of year nine (9) it would be the greater of eleven percent (11%) of Annual Gross Revenue, or sixty percent (60%) of conventional taxes.

Beginning in year ten (10) until the end of year ten (10) it would be the greater of eleven percent (11%) of Annual Gross Revenue, or eighty percent (80%) of conventional taxes.

Beginning the first day of year eleven (11) full conventional taxes would be due.

PROPOSED REVENUE TO THE CITY:

The Annual Service Charge at the based upon the Annual Gross Revenue at the rate of eleven percent (11%) is \$430,253. The City Administrative fee at two percent (2%) is \$8,605 and the Hudson County fee at five percent (5%) is \$21,513.

380 NEWARK REALTY, LLC
BLOCK 9806 Lot 8
380 Newark Avenue

Block Lot/QL		Existing Assessments	New Assessments	Good Faith ASC	Land Tax	Bldg Assmt (Phased-In)	Land Bldg
9806 8/Var	Land	330,000	749,700				
	Bldg		7,581,700	430,253		7,581,700	
	Total	330,000	8,331,400	430,253		7,581,700	

**Estimated In-Lieu of Full Property Tax, An Amount Equal
To A Percentage Of Taxes Otherwise Due On The Land And
New Improvement According To The Following Schedule;**

Stages	ASC	Annual Taxes* (Phased-In)
1 From the 1st day of the month following substantial completion until the last day of the 6th year, the ASC shall be at 11% of Annual Revenue	\$430,253	\$56,093
2 Beginning on the 1st day of the 7th year and the last day of the 7th year of substantial completion, an amount equal to the greater of the ASC at 11% or 20% of the amount of taxes otherwise due on the value of the land and improvements;	\$430,253	\$56,093
3 Beginning on the 1st day of the 8th year and the last day of the 8th year of substantial completion, an amount equal to the greater of the ASC at 11% or 40% of the amount of taxes otherwise due on the value of the land and improvements;	\$430,253	\$56,093
4 Beginning on the 1st day of the 9th year and the last day of the 9th year of substantial completion, an amount equal to the greater of the ASC at 11% or 60% of the amount of taxes otherwise due on the value of the land and improvements;	\$430,253	\$56,093
5 Beginning on the 1st day of the 10th year and the last day of the 10th year of substantial completion, an amount equal to the greater of the ASC at 11% or 80% of the amount of taxes otherwise due on the value of the land and improvements.	\$430,253	\$56,093
Yearly Land and Improvement Tax at Expiration 1/21/2016		\$ 623,355

SERVICE CHARGE VS CONVENTIONAL

*ASSUMING 74.82 TAX RATE WITH 2% ANNUAL INCREASE

380 NEWARK REALTY, LLC

BLOCK

9806

LOT

8

NEW ASSESSMENTS BASED ON TAX ASSESSOR ANALYSIS

LAND	749,700	COUNTY	5%	EXISTING ASSESSMENT	330,000
BLDG	7,581,700	ADMIN	2%		
TOTAL	8,331,400			PROJECTED SERVICE CHARGE (1ST YEAR)	430,253

YEAR	ASC w/ Phase-In Less Land Tax Credit	ASC w/ 2% Annual Increase	ASC w/ 2% Annual Increase & Phase-In	County	Admin	Estimated Conventional Taxes On NEW Assessment	Staged Adj Rate	Conventional Taxes at 51% (Estimated)	Current Taxes On EXISTING Assessment	Land Tax
1	374,160	430,253	430,253	21,513	8,605	623,355		317,911	24,691	56,093
2	381,644	438,858	438,858	21,943	8,777	635,822		324,269	25,184	57,214
3	389,277	447,635	447,635	22,382	8,953	648,539		330,755	25,688	58,359
4	397,062	456,588	456,588	22,829	9,132	661,510		337,370	26,202	59,526
5	405,003	465,720	465,720	23,286	9,314	674,740		344,117	26,726	60,716
6	413,103	475,034	475,034	23,752	9,501	688,235		351,000	27,260	61,931
7	421,365	484,535	484,535	24,227	9,691	701,999	20%	358,020	27,806	63,169
8	429,793	494,225	494,225	24,711	9,885	716,039	40%	365,180	28,362	64,433
9	438,389	504,110	504,110	25,205	10,082	730,360	60%	372,484	28,929	65,721
10	528,938	514,192	595,974	29,799	11,919	744,967	80%	379,933	29,508	67,036
TOTAL	4,178,734	4,711,150	4,792,932	239,647	95,859	6,825,567		3,481,039	270,355	614,198

ASC phase-in reflects annual 2% increase in conventional taxes AND Gross Rents
Projected figures subject to rounding discrepancies

FISCAL IMPACT COST PROJECTION (TIER 2 - 10 YEAR)

Block: 9806 Lot: 8 Loc: 380 NEWARK AVE.

Market Rate Units	Number of Units	Demographic Multipliers (Transit Oriented Development)*		Total		Annual Expenditures		Total Annual Expenditures		
		Household	Students	Residents	Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
1 Bedroom	5	1.421	0.050	7.11	0.25	\$1,181.83	\$3,445.00	\$8,396.89	\$861.25	\$9,258.14
2 Bedroom	30	2.012	0.120	60.36	3.60	\$1,181.83	\$3,445.00	\$71,335.19	\$12,402.00	\$83,737.19
3 Bedroom	10	2.798	0.560	27.98	5.60	\$1,181.83	\$3,445.00	\$33,067.57	\$19,292.00	\$52,359.57
TOTAL	45			95.45	9.45			\$112,799.65	\$32,555.25	\$145,354.90

1. Total Municipal Ratables	\$5,997,768,597	4. CY 2015 Budget	\$535,307,187	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	\$ 145,354.90
2. Residential Ratables	\$3,278,586,056			7. Per Capita Municipal Cost	\$1,181.83	10. Anticipated Gross PILOT (1st Year)	
Commercial Ratables	\$1,512,274,524					11% AGR	\$ 430,253.00
						2% Admin	\$ 8,605.06
						Less Land Tax (74.82)	\$ (56,092.55)
3. Residential Ratables as a Percentage of Total Ratables	54.66%	5. Residential Portion	\$292,617,271	8. Annual Expenditures Per Student**	\$3,445.00	11. 1st Year Net PILOT	\$ 382,765.51
						12. Implied Surplus (Cost)	\$ 237,410.61

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

SERVICE CHARGE VS CONVENTIONAL

380 NEWARK REALTY, LLC

***ASSUMING 74.82 TAX RATE WITH 2% ANNUAL INCREASE**

BLOCK
LOT

9806
8

NEW ASSESSMENTS BASED ON TAX ASSESSOR ANALYSIS

LAND	749,700	COUNTY	5%	EXISTING ASSESSMENT	330,000
BLDG	7,581,700	ADMIN	2%		
TOTAL	8,331,400			PROJECTED SERVICE CHARGE (1ST YEAR)	430,253

YEAR	ASC w/ Phase-In Less Land Tax Credit	ASC w/ 2% Annual Increase	ASC w/ 2% Annual Increase & Phase-In	County	Admin	Estimated Conventional Taxes On NEW Assessment	Staged Adj Rate	Conventional Taxes at 51% (Estimated)	Current Taxes On EXISTING Assessment	Land Tax
1	374,160	430,253	430,253	21,513	8,605	623,355		317,911	24,691	56,093
2	381,644	438,858	438,858	21,943	8,777	635,822		324,269	25,184	57,214
3	389,277	447,635	447,635	22,382	8,953	648,539		330,755	25,688	58,359
4	397,062	456,588	456,588	22,829	9,132	661,510		337,370	26,202	59,526
5	405,003	465,720	465,720	23,286	9,314	674,740		344,117	26,726	60,716
6	413,103	475,034	475,034	23,752	9,501	688,235		351,000	27,260	61,931
7	421,365	484,535	484,535	24,227	9,691	701,999	20%	358,020	27,806	63,169
8	429,793	494,225	494,225	24,711	9,885	716,039	40%	365,180	28,362	64,433
9	438,389	504,110	504,110	25,205	10,082	730,360	60%	372,484	28,929	65,721
10	528,938	514,192	595,974	29,799	11,919	744,967	80%	379,933	29,508	67,036
TOTAL	4,178,734	4,711,150	4,792,932	239,647	95,859	6,825,567		3,481,039	270,355	614,198

ASC phase-in reflects annual 2% increase in conventional taxes AND Gross Rents
Projected figures subject to rounding discrepancies

Re: 380 Newark Avenue
Approximately 0.34 Acres
Block 9806, Lot 8
Urban Enterprise Zone

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] is made the ___ day of _____, 2016, by and between **380 NEWARK REALTY URBAN RENEWAL, LLC**, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at 47 Mill Road, Jersey City, New Jersey 07302, and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, the Entity is the Owner pursuant to Deed dated June 3, 2015, of certain property designated as Block 9806, Lot 8, more commonly known by the street address of 380 Newark Avenue, Jersey City, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is located within the boundaries of the Urban Enterprise Zone]; and

WHEREAS, the Entity plans to construct a seven (7) story mixed use building with forty-seven condominium units including forty-five (45) market-rate residential condominium units; one commercial condominium unit containing approximately 4,316 square feet of retail and amenity space and a second condominium unit containing twenty (20) parking spaces totaling 7,800 square feet of parking space; and

WHEREAS, on October 29, 2015, the Project received site plan approval from the Planning Board; and

WHEREAS, on December 15, 2015, the Entity filed an Application with the City for a

long term tax exemption for the Project; and

WHEREAS, by the adoption of Ordinance 16.____ on _____, 2016, the Municipal Council approved a long term tax exemption for the Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax generates revenue of only \$24,532.20 whereas, the Annual Service charge as estimated, will generate revenue to the City of approximately \$438,858.00;
2. as required by ordinance 13-088, the Entity shall pay the City the sum of \$28,558.00 on or before the effective date of the ordinance approving the Financial Agreement, and will pay the balance of \$57,116.00 as an affordable housing contribution as required by the ordinance;
3. it is expected that the Project will create approximately forty (40) new construction jobs and eight (8) new permanent full time jobs;
4. the project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to the new occupants;
5. the Project will further the objectives of the Urban Enterprise Zone, and will include the construction of new improvements on vacant property;
6. the City's Impact Analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and
2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract occupants to the Project, insure the likelihood of stabilized rents to tenants and the success of the Project; and
3. have a positive impact on the surrounding area.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor 2015-007, Disclosure of Lobbyist Status, Ordinance 02-075, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Allowable Net Profit- The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).
- ii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.
- iii. Annual Gross Revenue - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, or as user fees or for any other services. No deductions will be allowed for operating or maintenance

costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

Annual Gross Revenue for Condominium Units - The amount equal to the annual aggregate constant payments of principal and interest, assuming a purchase money mortgage encumbering the condominium unit to have been in an original amount equal to the initial value of the unit with its appurtenant interest in the common elements as stated in the master deed, if unsold by the urban renewal entity, or, if the unit is held by a unit purchaser, from time to time, the most recent true consideration paid for a deed to the condominium unit in a bona fide arm's length sale transaction, but not less than the initial assessed valuation of the condominium unit assessed at 100% of the true value, plus the total amount of common expenses charged to the unit pursuant to the by-laws of the condominium association. The constant payments to principal and interest shall be calculated by assuming a loan amount as stated above at the prevailing lawful interest rate for mortgage financing on comparable properties within the municipality as of the date of the recording of the unit deed, for a term equal to the full term of the exemption from taxation stipulated in this Agreement; and provided further that any gain realized by the Entity on the sale of any unit in fee simple, whether or not taxable under Federal or State law, shall not be included in computing gross revenue.

There is expressly excluded from gross revenue any gain realized by the Urban Renewal Entity on the sale of any condominium unit, whether or not it is taxable under State or Federal law as set forth in N.J.S.A. 40A:20-14(b).

iv. Annual Service Charge - The amount the Entity has agreed to pay the City each year for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12. It shall include a payment for all profit exceeding Allowable Net Profit, i.e., annual excess profit.

v. Auditor's Report - A complete annual financial statement outlining the financial status of the Project, which shall also include a certification of Total Project Cost and clear computation of the annual Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies,

notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

vi. Certificate of Occupancy - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vii. Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the project for a period equal to the term of this agreement.

viii. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

ix. Entity - The term Entity within this Agreement shall mean 380 Newark Realty Urban Renewal, LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

x. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xi. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xii. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xiii. Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xiv. Law - Law shall refer to the Long Term Tax Exemption Law, as amended and

supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 15-007, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance 16._____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xvi. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be (a) until Substantial Completion the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is \$24,532.20 or b) the Project's initial assessed value upon Substantial Completion, as determined by the Tax Assessor.

xvi. Net Profit - The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xvii. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the

singular, as well as the plural, as context requires.

xviii. Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Project receives, or is eligible to receive, any Certificate of Occupancy whether temporary or permanent for any portion of the Project.

xix. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xx. Total Project Cost - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be **included** from Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. If the Service Charge is a percentage of Total Project Cost, then the Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 9806, Lot 8, more commonly known by the street address 380 Newark Avenue, Jersey City, New Jersey and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson

County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct a forty-five (45) dwelling units; twenty (20) parking spaces totaling approximately 7,800 square feet of parking space; and approximately 4,316 square feet of commercial/amenity space; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5, and in compliance with any Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement and any Redevelopment Agreement.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth a good faith estimate of Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Good Faith Estimate of Sale Prices

The Entity represents that its good faith projections of the initial sales prices and other revenue to the Project are set forth in Exhibit 7.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of twelve (12) years from the date of the adoption of Ordinance 16. ____ on _____, 2016, which approved the tax exemption or ten (10) years from the original date of Substantial Completion of

the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make the following annual payments to the City for services provided to the Project:

i. City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 11% of the Annual Gross Revenue. The Annual Service Charge shall be billed initially based upon the Entity's estimate of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Service Charge: an amount equal to 5% of the Municipal Annual Service Charge shall be paid to the City and remitted by the City to the County.

iii. The Minimum Annual Service Charge pursuant to Section 1.2xv(a) shall be due beginning on the effective date of this Agreement. The Minimum Annual Service Charge pursuant to Section 1.2xv(b) shall be due upon Substantial Completion of the Project. The City Service Charge and the County Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

i. Stage One: From the 1st day of the month following Substantial Completion until the last day of the 6th year, the Annual Service Charge shall be 11% of Annual Gross Revenue;

ii. Stage Two: Beginning on the 1st day of the 7th year following Substantial Completion until the last day of the 7th year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the assessed value of the

land and Improvements;

iii. Stage Three: Beginning on the 1st day of the 8th year following the Substantial Completion until the last day of the 8th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iv. Stage Four: Beginning on the 1st day of the 9th year following Substantial Completion until the last day of the 9th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the assessed value of the land and Improvements.

v. Final Stage: Beginning on the 1st day of the 10th year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the assessed value of the land and Improvements.

Section 4.3 Land Tax

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credit against the Annual Service Charge. No credit will be applied against the Annual Service Charge for a partial payment of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments / Interest

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to

adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under this agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two (2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge.

Section 4.6 Affordable Housing Contribution and Remedies

A. **Contribution.** The Entity will pay the City the total sum of \$85,674.00 or \$1,500 per residential condominium unit (45 units) or \$67,500; \$1.50 per square foot for the 7,800 square foot commercial condominium unit and \$1.50 per square foot for the 4,316 square foot condominium unit containing the twenty parking spaces or \$18,174, as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;
- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Financial Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Financial Agreement.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including Annual Net Profits and any adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the Property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the

Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Allowable Net Profit for the Entity during the previous year, the excess of which shall be paid to the City each year an excess profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, including but not limited to an audit of actual construction costs as certified by the Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. All disclosures shall include ownership interests of the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity for any year during which the tax exemption financial agreement was in full force

and effect.

All costs incurred by the City to conduct a review of the Entity's audits, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xx) of this Agreement. If the Service Charge is calculated as a percentage of Total Project Costs, such costs must be included in the Total Project Costs for purposes of calculating the Annual Service Charge.

Section 8.3 Payment of Reserve/ Excess Net Profit Upon Termination, Expiration or Sale

The date of termination, expiration or sale shall be considered to be the close of the fiscal

year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

Section 8.4 Net Profit for Condominiums.

There is expressly excluded from gross revenue any gain realized by the Urban Renewal Entity on the sale of any condominium unit, whether or not it is taxable under State or Federal law as set forth in N.J.S.A. 40A:20-14(b).

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new Entity; 5) the Entity pays in full the maximum transfer fee, currently 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d); and 6) as to projects that are not Substantially Complete, the Entity is comprised of principals possessing substantially the same or better financial qualifications and credit worthiness as the Entity.

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

The conveyance of a condominium unit to a bona fide unit purchaser grantee shall not require the consent or approval of the City as provided in N.J.S.A. 40A 20-14(c).

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new

tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2015-007, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have thirty (30) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within thirty (30) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such thirty (30) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.7, or a sale of the Project occurs without the consent of the City, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action against the Project Area in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided herein, but shall allow the City to proceed immediately to terminate the Agreement as provided herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may notify the City that it will relinquish its status as a tax exempt Project, after the expiration of one year from the Substantial Completion of the Project, as of the January 1st of the year next ensuing. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution. In addition, the due date for all Affordable Housing Contribution and any other fees that the Entity agreed to pay under this Agreement, shall be accelerated so that all fees to be paid shall be due on January 1st as a condition precedent of the voluntary termination.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be

the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne by the Entity. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of the Staged Adjustments that is, taxes otherwise due, pursuant to Section 4.2 hereof and N.J.S.A. 40A:20-12, either party may file an appeal of the conventional assessment to determine the value of land and improvements.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit the City's right to audit or recover any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs), arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

380 Newark Realty Urban Renewal, LLC
47 Mill Road
Jersey City, New Jersey 07302
Attention: Scott & Jeff Weingarten

And

Eugene T Paolino, Esq.
Genova Burns, LLC
30 Montgomery Street, Suite 1105
Jersey City, New Jersey 07302

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring

construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Sales Prices;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.
10. Entity's Deed.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

**380 NEWARK REALTY
URBAN RENEWAL, LLC**

SCOTT WEINGARTEN, CO-MANAGER

JEFF WEINGARTEN, CO-MANAGER

ATTEST:

CITY OF JERSEY CITY

**ROBERT BYRNE
CITY CLERK**

**ROBERT KAKOLESKI
BUSINESS ADMINISTRATOR**

New & Revised as of February, 2016

(Including Construction Jobs, for Projects with no PLA)

To accord with new Chapter 304 (Croson), only pages 1 through 7 have been amended.

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the ____ day of ____, 2016, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **380 NEWARK REALTY URBAN RENEWAL, LLC**, having its principal office at 47 Mill Road, Jersey City, New Jersey 07302.

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into an agreement with the City to implement, in whole or in part, this agreement.
2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
3. Construction Contract means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway or other improvement on a Project Site.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.
6. "Employment" includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.
8. "Local Business" means a bona fide business located in Jersey City.
9. "Minority" means a person who is defined as such under federal or state law.

10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
12. "Project or Project Site" means the specific work location or locations specified in the contract.
13. The "Project Employment & Contracting Coordinator" or "Coordinator" is the employee in the Department of Administration, who is in charge of overseeing compliance of Project Employment & Contracting Agreements. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Coordinator. The Coordinator may incorporate referrals from JCEPT or its One-Stop Career Center if the City's agreement with JCEPT so provides.
14. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration as stipulated by this agreement.
15. The "Receipt's Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
16. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive also referred to as a developer.
17. "The Registry" or "Jersey City Employment Registry" means a data base maintained by the City or its designee, of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
18. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
19. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
20. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose: Construction Jobs, Business Contracting, Permanent Jobs

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient shall send a letter designating its "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Exhibit A. This Officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Exhibit B.

IV. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____, approving the tax exemption and terminate the earlier of 15 years from the date of the adoption of that Ordinance or 10 years from the date of Substantial Completion of the Project.

V. Required Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the

Recipient shall be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. The goals are as follows:

1. **Employment (Construction and Permanent Jobs):** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing twenty (20%) percent of labor hours who are Minorities and who are women.
2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding ten (10%) percent of the dollar amount of its contracts to Minority or Women Owned Businesses.

VI. Construction Jobs Procedure:

1. **Construction Jobs:** Recipient shall comply with all of the following conditions:

A. Initial Contracting Report

- i) The Recipient shall submit the initial contracting report. A letter must be forwarded with requests for quotation or bid to the Office of Diversity and Inclusion for minority contractors or vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Exhibit C.
- ii) The Recipient shall contact those businesses to submit bids. An example of this letter can be found in Exhibit D.

B. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, the Recipient shall obtain from all Contractors/Subcontractors an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked, including a list of the number of minority residents and women that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Exhibit ____ is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept the Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Exhibit ____.

C. Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Exhibit _____.

D. Monthly Reports:

Manning Report (after construction commences)

- i) The Recipient will submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain all records supporting the reported work hours of its Contractors or Subcontractors.

Certified Payroll Report

- i) The Recipient will furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Exhibit _____.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

E. Annual Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will submit copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit and annually thereafter.

F. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

G. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

H. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Exhibit _____.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

VII. Permanent Jobs Procedures:

1. **Permanent Jobs:** Recipient shall comply with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will meet with the Coordinator, including the director of JCETP to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.
- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed.

B. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment

& Contracting Monitor. An example of this signed acknowledgment can be found in Appendix 3.

- C. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 1.A.(i)-(vi) and notify the City.
- D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.
- E. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix 4.
- F. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- G. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
- H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

- J. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- K. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- L. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- M. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

VIII. **Good Faith Defined. Business Contracts**

- A. Good Faith shall mean compliance with all of the following conditions:
 - i) Solicitation of Businesses:
 - a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;
 - b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.
 - c) Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
 - d) Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
 - e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

- f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.
- g) Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- h) Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- i) Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- j) Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

- B. The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by Project Employment and Contracting Monitor of a Recipient, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

IX. Good Faith Defined. Commercial Tenants at the Project Site

Good Faith shall mean compliance with all of the following conditions:

- A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.

B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.

C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. Notices of Violation:

1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have 7 days to correct the violation.

2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation.

3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.

4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

1. While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal

to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

- B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- C. The use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

380 Newark Realty Urban Renewal, LLC
47 Mill Road
Jersey City, New Jersey 07302
Att: Scott Weingarten Co-Manager
Jeffrey Weingarten, Co-Manager

and

Eugene T. Paolino, Esq.
GENOVA BURNS LLC
30 Montgomery Street, Suite 1105
Jersey City, New Jersey 07302

2. When sent by the Recipient to the City, it shall be addressed to:

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Robert J. Kakoleski
Business Administrator

WITNESS:

**380 NEWARK REALTY URBAN
RENEWAL, LLC**

Secretary

President